

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE GAS AND	)	
ELECTRIC COMPANY FOR AN ADJUSTMENT OF ITS	)	CASE NO.
ELECTRIC AND GAS RATES AND FOR CERTIFICATES	)	2016-00371
OF PUBLIC CONVENIENCE AND NECESSITY	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO THE  
DEPARTMENT OF DEFENSE AND ALL OTHER FEDERAL EXECUTIVE AGENCIES

The Department of Defense and All Other Federal Executive Agencies ("DOD"), pursuant to 807 KAR 5:001, is to file with the Commission an original and six copies in paper medium and an electronic version of the following information. The information requested herein is due no later than March 31, 2017. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

DOD shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which DOD fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, DOD shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of James T. Selecky ("Selecky Testimony"), page 8, line 15, though the top of page 9, line 2. Provide any documentation which supports the notion of the Base-Intermediate-Peak ("BIP") method supporting investment in expensive generation rather than least-cost generation first.

2. Refer to the Selecky Testimony, page 10, line 20. Mr. Selecky states that the Loss of Load Probability ("LOLP") methodology represents the probability that Louisville Gas and Electric Company's ("LG&E") system demand will exceed generation during any given hour. Any model contains a margin of error. Explain if Mr. Selecky believes that this probability model increases the margin of error as compared to the BIP model.

3. Refer to the Selecky Testimony, page 12, lines 9–15. Provide any public utility rate cases where the LOLP model was adopted and used as a guide for rate design.

4. Refer to the Selecky Testimony, page 13, lines 8–14. Provide a list of all the on-site generation assets for Ft. Knox. Include their capacity as well as their restoration time after an outage of LG&E's system occurs.

5. Refer to the Direct Testimony of Christopher C. Walters ("Walters Testimony"), page 8, lines 9–12, and footnote 1. State whether the two-year-old quote referenced is recent enough to reflect current expectations regarding regulators' actions with respect to authorized Returns on Equity ("ROE").

6. Refer to the Walters Testimony, pages 22–28, which discuss LG&E's capital structure and provide comparisons of LG&E's level of common equity to those approved for the electric and gas utility industry. Provide a comparison of LG&E's 4.12 percent embedded cost of long-term debt to those approved for the electric and gas utility industry from 2010 to 2016.

7. Refer to the Walters Testimony, page 34. Explain why growth rate estimates from Value Line were not used in the DCF analysis.

8. Refer to the Walters Testimony. Provide all exhibits electronically in Excel spreadsheet format, with all formulas intact and unprotected.

DATED           **MAR 17 2017**          

cc: Parties of Record



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